



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351
September 14, 2004

Mr. Dave Wilson
Vice President for Nuclear Assessment
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Dear Mr. Wilson:

The U.S. Nuclear Regulatory Commission (NRC) recently received information concerning activities at the Point Beach Nuclear Power Plant. The details are enclosed for your evaluation.

We request that the results of your evaluation of this matter be submitted to Region III within 20 days of the date of this letter. Your response to this request should not be docketed, and should be sent in an envelope addressed to the Region III Enforcement/Investigations Officer, U.S. Nuclear Regulatory Commission, Region III, at 2443 Warrenville Road, Suite 210, Lisle, Illinois 60532-4352.

We also request that your response contain no personal privacy, proprietary, or safeguards information. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

The documented results of your evaluation should include sufficient information for the NRC to determine: (a) if the concerns were substantiated; (b) that the organization or individual conducting the evaluation was independent; (c) that the evaluation was of sufficient depth and scope to determine that the appropriate root causes and generic implications were considered; (d) that the corrective actions, both planned and completed, were sufficient to correct the specific example(s) and generic implications and to prevent recurrence; and (e) if your evaluation identified any deficiencies with a license condition, please tell us what corrective actions were taken or planned, and the corrective action document that addressed the deficiencies.

The enclosure to this letter should be controlled and distribution should be limited to personnel with a "need to know" until your evaluation has been completed and reviewed by NRC Region III. The enclosure to this letter is considered "NOT FOR PUBLIC DISCLOSURE."

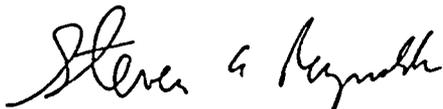
AA-6

D. Wilson

-2-

We appreciate your cooperation and will gladly discuss any questions you may have concerning this information. Should you have questions, please contact one of the NRC Region III Allegation Coordinators, Jim Heller or Ken Lambert. They can be reached at (630) 829-9500.

Sincerely,



Steven A. Reynolds, Acting Director
Division of Reactor Projects

Enclosure: Details

- cc w/ encl:
1. AMS File No. RIII-04-A-0051
 2. AMS File No. RIII-04-A-0052
 3. AMS File No. RIII-04-A-0061 ✓
 4. AMS File No. RIII-04-A-0077
 5. Fax to Aldo Capristo, NMC, (866) 851-9498 (Prairie Island, Monticello, Kewaunee, Point Beach, Palisades, and Duane Arnold)

D. Wilson

-2-

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DOCUMENT NAME: G:\EICS\AMS-LTRS\04 AMS\040051point beach\04-a-051; 052; 061; 077.121.wpd

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NAME	Heller		Louder		Reynolds						
DATE	8/14/04		8/14/04		8/14/04		8/ /04		8/ /04		

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ENCLOSURE

Please reference tracking numbers RIII-04-A-0051; RIII-04-A-0052; RIII-04-A-0061; and RIII-04-A-0077 in your response.

Recently, we received several concerns (listed below) that employees at Point Beach are reluctant to raise safety issues because of possible adverse actions that they believe could be taken against them. We evaluated these concerns through: (1) on site interviews of a cross-section of employees; (2) a review of documents in your corrective action program; and (3) a review of documents from the employee concerns program. Although we did not identify a reluctance by employees to raise safety issues, a number of individuals interviewed indicated that there was a lack of trust in upper station management. Much of this lack of trust is based on strong views certain individuals have regarding the station's handling of problems associated with a Unit 2 safety injection accumulator level transmitter in February and March 2004 and with the establishment of a hot leg vent path for the Unit 1 reactor in April 2004 during the refueling outage. This lack of trust was also discussed in your Nuclear Safety Culture Self-Assessment report (PBSA-PBNP-04-01) which was dated July 13, 2004.

Examples of the issues that prompted our onsite interviews and document reviews included:

1. An individual was concerned that a chilled environment exists at the station in which operators are afraid they will lose their job if they raise safety issues or take actions counter to management direction, even if the direction is thought to be wrong. The individual stated that a Shift Manger did not declare a Unit 2 Safety Injection Accumulator level transmitter inoperable because senior plant management did not want it declared inoperable. The Shift Manager did not want to take an action against senior management's instruction for fear of losing his job. The individual stated that in this case, declaring the component inoperable would have required that the plant be shutdown.
2. An individual is concerned that a chilled environment exists within the Operations department. The individual stated that the chilled communication environment was caused when upper management relieved Senior Reactor Operators (SROs) from duty and the perceived forced resignation of three SROs and the former Operations Manager.
3. An individual is concerned about being fired for talking to the NRC, but came to the NRC because of a concern for a safe work environment. The individual stated that s/he was afraid to go to management and the Employee Concern Program (ECP) coordinator because s/he believed that people who raise concerns are marked for termination. The individual stated that one of the individuals who was fired because of the hot leg vent incident had previously been marked for dismissal after raising dry cask storage concerns.
4. An individual is concerned that there is a lack of a safety conscious work environment and that because of previous ECP contacts and differences with Operations Department

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ENCLOSURE

management that there was a heightened awareness being applied to him. The individual stated that s/he was fearful of raising issues that were of lower significance and would think twice about bringing issues forward.

In addition to the investigation requested by the letter, please discuss the actions that you have taken or are planning to take to address the lack of trust and other issues identified by your self-assessment. Additionally, please discuss the actions that you are taking or are planning to take to ensure that a sound safety culture is maintained at Point Beach. Lastly, your review should not be limited to the Operations department since the very visible dismissal of high profile individuals from the Operations department may effect the safety conscious work environment in all of the licensee's departments either at the site or in the corporate office.

Additional information for this concern.

We recognize that your staff has already performed at least one self assessment which may have already addressed a portion of this concern. If the assessments captured a portion of the concern, then we do not object to the use of that information when completing your investigation and formulating your investigation report.

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TRANSMISSION VERIFICATION REPORT

TIME : 09/14/2004 23:03
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FAX : 6308104377
TEL :

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NRC FORM 386 (R11)
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 Warrenville Road, Suite 210
Lisle, Illinois 60532-4352

TELEFAX TRANSMITTAL

DATE: _____

NUMBER OF PAGES:
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SEND TO: Aldo Capristo

LOCATION: NMC

FAX NUMBER: 866 - 851 - 9498



VERIFY BY CALLING SENDER

FROM:
(SENDER)

Beverly Hicks

TELEPHONE NUMBER: 630 - 810 - 4370 FAX NUMBER: 630 - 810 - 4377

If you do not receive the complete fax transmittal, please contact the sender as soon as possible at the telephone number provided above.

MESSAGE

Use commercial line (7-1-866-851-9498)